

State: District of Columbia **Filing Company:** Mid-West National Life Insurance Company of Tennessee

TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name: DC MidWest AG Situs (VA/WI Only)

Project Name/Number: /

Filing at a Glance

Company: Mid-West National Life Insurance Company of Tennessee

Product Name: DC MidWest AG Situs (VA/WI Only)

State: District of Columbia

TOI: H15G Group Health - Hospital/Surgical/Medical Expense

Sub-TOI: H15G.001 Any Size Group

Filing Type: Rate

Date Submitted: 04/16/2014

SERFF Tr Num: MGCA-129497917

SERFF Status: Closed-FILED FOR INFORMATION

State Tr Num:

State Status:

Co Tr Num: DC MIDWEST AG SITUS 201407 DC MIDWEST 16107

Implementation: 06/01/2014

Date Requested:

Author(s): Sommay Khounlo

Reviewer(s): Darniece Shirley (primary), Alula Selassie, John Morgan

Disposition Date: 04/28/2014

Disposition Status: FILED FOR INFORMATION

Implementation Date: 07/01/2014

State Filing Description:

State: District of Columbia **Filing Company:** Mid-West National Life Insurance Company of Tennessee

TOI/Sub-TOI: H15G Group Health - Hospital/Surgical/Medical Expense/H15G.001 Any Size Group

Product Name: DC MidWest AG Situs (VA/WI Only)

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General Information

Project Name: Status of Filing in Domicile: Pending

Project Number: Date Approved in Domicile:

Requested Filing Mode: Informational Domicile Status Comments: Our state of domicile is Texas.

Explanation for Combination/Other: Market Type: Individual

Submission Type: New Submission Individual Market Type: Non Employer Group - Individual

Overall Rate Impact: Filing Status Changed: 04/28/2014

State Status Changed:

Deemer Date: Created By: Chanel Rodriguez

Submitted By: Sommay Khounlo Corresponding Filing Tracking Number:

PPACA: Grandfathered Immed Mkt Reforms

PPACA Notes: null

Include Exchange Intentions: No

Filing Description:

We are filing rate changes for your information to our Grandfathered association group health benefit plans. The rate change will be effective for Grandfathered members on 6/1/2014; or 7/1/2014 in the states that requires 45 to 60 days member notice. This is for VA and WI only.

Company and Contact

Filing Contact Information

Chanel Rodriguez, chanel.rodriguez@healthmarkets.com
9151 Boulevard 26 817-255-6427 [Phone]
North Richland Hills, TX 76180

Filing Company Information

Mid-West National Life Insurance	CoCode: 66087	State of Domicile: Texas
Company of Tennessee	Group Code: 264	Company Type:
9151 Boulevard 26	Group Name:	State ID Number:
North Richland Hills, TX 76180	FEIN Number: 62-0724538	
(817) 255-3100 ext. [Phone]		

Filing Fees

Fee Required? No

Retaliatory? No

Fee Explanation:

State:	District of Columbia	Filing Company:	Mid-West National Life Insurance Company of Tennessee
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Project Name/Number:	/		

Rate Information

Rate data applies to filing.

Filing Method:

Rate Change Type: %

Overall Percentage of Last Rate Revision: %

Effective Date of Last Rate Revision:

Filing Method of Last Filing:

Company Rate Information

Company Name:	Company Rate Change:	Overall % Indicated Change:	Overall % Rate Impact:	Written Premium Change for this Program:	Number of Policy Holders Affected for this Program:	Written Premium for this Program:	Maximum % Change (where req'd):	Minimum % Change (where req'd):
Mid-West National Life Insurance Company of Tennessee	Increase	0.000%	0.000%	\$0	0	\$0	0.000%	0.000%

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Project Name/Number: /

Rate Review Detail

COMPANY:

Company Name: Mid-West National Life Insurance Company of Tennessee
HHS Issuer Id: 61567

PRODUCTS:

Product Name	HIOS Product ID	HIOS Submission ID	Number of Covered Lives
N/A-This is a situs informational filing.			1

Trend Factors:

FORMS:

New Policy Forms:

Affected Forms: n/a

Other Affected Forms:

REQUESTED RATE CHANGE INFORMATION:

Change Period: Other
Member Months: 0
Benefit Change: None
Percent Change Requested: Min: 0.0 Max: 0.0 Avg: 0.0

PRIOR RATE:

Total Earned Premium: 0.00
Total Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

REQUESTED RATE:

Projected Earned Premium: 0.00
Projected Incurred Claims: 0.00
Annual \$: Min: 0.00 Max: 0.00 Avg: 0.00

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Project Name/Number:	/		

Supporting Document Schedules

Satisfied - Item:	Cover Letter All Filings
Comments:	
Attachment(s):	DC Midwest AG Situs Cover LetterVA_WI only.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Certificate of Authority to File
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Actuarial Memorandum
Comments:	
Attachment(s):	DC Midwest AG Situs Act MemoVA_WI only.pdf
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Justification
Bypass Reason:	N/A-This is not a new form filing.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Loss Ratio Analysis (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	District of Columbia and Countrywide Experience for the Last 5 Years (P&C)
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

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Bypassed - Item:	Consumer Disclosure Form
Bypass Reason:	N/A
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Actuarial Memorandum and Certifications
Bypass Reason:	N/A-This is for Grandfathered only.
Attachment(s):	
Item Status:	
Status Date:	

Bypassed - Item:	Unified Rate Review Template
Bypass Reason:	N/A-This is for Grandfathered only.
Attachment(s):	
Item Status:	
Status Date:	

Satisfied - Item:	Supporting Documents
Comments:	
Attachment(s):	DC Midwest AG Situs NAIC Transmittal.pdf VA Midwest Rate Increase Development Exhibit.pdf WI Midwest Rate Increase Development Exhibit.pdf
Item Status:	
Status Date:	

April 10, 2014

Government of District of Columbia Department of Insurance
Securities and Banking
Actuarial Analysis Division
810 First Street NE, Suite 701
Washington, D.C. 20002

RE: Mid-West National Life Insurance Company of Tennessee (Mid-West)
Company NAIC # 264-66087
Company FEIN # 62-0724538
Rate Filing for Association Group Plans (Non Small Employer)

Dear Sir or Madam:

Mid-West National Life Insurance Company of Tennessee respectfully submits rates for your information for our Grandfathered association group health benefit plans. These plans were individually underwritten for residents in the following states: VA and WI. When qualified, the applicant was issued a Certificate of Coverage under an association group master policy that is issued in the District of Columbia. At this time, Mid-West has ceased all new sales under the filed association group health benefit plans. However, at this time, Mid-West does intend to continue renewing and administering these inforce blocks of business.

The rate action for the Scheduled Plans, Non-Scheduled Plans, and Riders is based on each state's experience taking credibility, taxes, fees, and assessments into consideration while the ACE rider is based on nationwide experience due to its low claim frequency resulting in significant credibility concerns. Please refer to the Rate Increase Development Exhibits for more details.

Thank you for your review of this rate filing. If you have any questions or need additional information, please feel free to contact me at any time.

Sincerely,



Robert W. Darnell, ASA, MAAA
Phone: (817) 255-3126
Fax: (817) 255-8274
Email: Bob.Darnell@Hmkts.com

Mid-West National Life Insurance Company of Tennessee

Administrative Offices: 9151 Boulevard 26, North Richland Hills, TX 76180

Actuarial Memorandum for Health Plan Rate Filing Grandfathered Association Group Health Plans (Non Small Employer)

Purpose

To inform of rate changes on health benefit plan forms.

Scope and Reason

We are filing rate changes for your information to our Grandfathered (GF) association group health benefit plans. These plans were individually underwritten for residents in the following states: VA and WI. The rate change will be effective for Grandfathered members on 6/1/2014; or 7/1/2014 in the states that requires 45 to 60 days member notice. Mid-West is not issuing any new health benefit plans under the affected forms at this time. Advance notification of this rate change will be provided to certificate holders subject to the number of days required by the state.

We are requesting the following rate increases:

State	GF or Non-GF	Product Type	Rate Increase
VA	GF	All Product Types except ACE	20.00%
VA	GF	Accumulated Covered Expense Rider	45.00%
WI	GF	All Product Types except ACE	20.00%
WI	GF	Accumulated Covered Expense Rider	45.00%

The product types are defined as following: (1) Basic hospital, surgical, medical expense incurred plans that have numerous internal benefit limits and catastrophic expense rider which attach to these plans ("Scheduled Plans"), (2) Preferred provider/catastrophic expense plans ("Non-Scheduled Plans"), (3) Riders that attach to the Scheduled and/or the Non-Scheduled plans and provide for additional benefits with the exception of the accumulated covered expense rider ("Riders"), and (4) the accumulated covered expense rider ("ACE"). Please note that the ACE rider is an optional benefit available on many of the Scheduled Plans and is a small component of the total certificate premium.

The rate action for the Scheduled Plans, Non-Scheduled Plans, and Riders is based on each state's experience taking credibility, taxes, fees, and assessments into consideration while the ACE rider is based on nationwide experience due to its low claim frequency resulting in significant credibility concerns. Please refer to the Rate Increase Development Exhibits for more details.

A rate change amount is determined after credibility adjustment and based on our target loss ratio of 80%, adjusted downward on a state-by-state basis for applicable credibility, taxes, fees, and assessments.

Statement of Reliance

I have relied upon our IT Department for production of data and its quality. I have relied on Ben Coneway, FSA, MAAA for portions of this filing. I have not audited or verified the data, but I have reviewed some of the data for consistency and reasonableness.

Actuarial Certification

In my opinion, the proposed premium-rate increases in this filing are actuarially sound in aggregate for the applicable market segment, based on no further changes in required benefits, any fees or assessments, or the federal-income-tax status of the company. To the best of my knowledge and judgment, the entire filing is in compliance with the applicable laws of the state of Tennessee and with the rules of the Tennessee Department of Commerce and Insurance, and all applicable Actuarial Standards of Practice.

I, Robert W. Darnell, ASA, MAAA, am an employee of The MEGA Life and Health Insurance Company, a sister company of Mid-West National Life Insurance Company of Tennessee. I am a member of the American Academy of Actuaries and meet the qualification standards of the American Academy of Actuaries to render the actuarial opinion contained herein.

Certified by:



Date:

4/10/2014

Robert W. Darnell, ASA, MAAA

Effective March 1, 2007


Life, Accident & Health, Annuity, Credit Transmittal Document

1.	Prepared for the State of	District of Columbia					
2.	Department Use Only						
	State Tracking ID						
3.	Insurer Name & Address	Domicile	Insurer License Type	NAIC Group #	NAIC #	FEIN #	State #
	Mid-West National Life Insurance Company of Tennessee 9151 Boulevard 26, N Richland Hills, TX 76180	Texas		264	66087	62-0724538	
4.	Contact Name & Address	Telephone #	Fax #		E-mail Address		
	Chanél Rodriguez 9151 Boulevard 26, N Richland Hills, TX 76180	(817)255-6427	(817)255-8274		NRHAct-Comp@Hmkt.com		
5.	Requested Filing Mode	<input type="checkbox"/> Review & Approval <input type="checkbox"/> File & Use <input checked="" type="checkbox"/> Informational <input type="checkbox"/> Combination (please explain): _____ <input type="checkbox"/> Other (please explain): _____					
6.	Company Tracking Number	DC MidWest AG Situs 201407 DC Midwest 16107					
7.	<input checked="" type="checkbox"/> New Submission	<input type="checkbox"/> Resubmission Previous File # _____					
8.	Market	<input checked="" type="checkbox"/> Individual <input type="checkbox"/> Franchise <div style="display: flex; justify-content: space-between;"><div>Group</div><div><input type="checkbox"/> Small <input type="checkbox"/> Large <input type="checkbox"/> Small and Large <input type="checkbox"/> Employer <input checked="" type="checkbox"/> Association <input type="checkbox"/> Blanket <input type="checkbox"/> Discretionary <input type="checkbox"/> Trust <input type="checkbox"/> Other: _____</div></div>					
9.	Type of Insurance	H15G - Group Health - Hospital/Surgical/Medical Expense					
10.	Product Coding Matrix Filing Code	H15G.001 - Any Size Group					
11.	Submitted Documents	<div><input type="checkbox"/> Forms <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Policy <input type="checkbox"/> Application/Enrollment <input type="checkbox"/> Schedule of Benefits</div><div><input type="checkbox"/> Outline of Coverage <input type="checkbox"/> Rider/Endorsement <input type="checkbox"/> Other: _____</div><div><input type="checkbox"/> Certificate <input type="checkbox"/> Advertising</div></div></div> <div><input checked="" type="checkbox"/> Rates <input type="checkbox"/> New Rate <input checked="" type="checkbox"/> Revised Rate</div> <div><input type="checkbox"/> FILING OTHER THAN FORM OR RATE: Please explain: _____</div> <div>SUPPORTING DOCUMENTATION <div style="display: flex; justify-content: space-between;"><div><input type="checkbox"/> Articles of Incorporation <input type="checkbox"/> Association Bylaws <input type="checkbox"/> Statement of Variability <input checked="" type="checkbox"/> Actuarial Memorandum <input type="checkbox"/> Other: _____</div><div><input type="checkbox"/> Third Party Authorization <input type="checkbox"/> Trust Agreements <input type="checkbox"/> Certifications</div></div></div>					

Effective March 1, 2007

12.	Filing Submission Date	4/4/2014
13.	Filing Fee (If required)	Amount _____ Retaliatory <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Check Date _____ Check Number _____
14.	Date of Domiciliary Approval	

15.	Filing Description:
	<p>We are filing rate changes for your information to our Grandfathered association group health benefit plans. . The rate change will be effective for Grandfathered members on 6/1/2014; or 7/1/2014 in the states that requires 45 to 60 days member notice.</p>

16.	Certification (If required)
<p>I HEREBY CERTIFY that I have reviewed the applicable filing requirements for this filing, and complies with all applicable statutory and regulatory provisions for the state of District of Columbia.</p> <p>Print Name <u>Robert W. Darnell, ASA, MAAA</u> Title <u>Pricing Actuary</u></p> <p>Signature <u></u> Date <u>4/4/2014</u></p>	

Effective March 1, 2007

17.	Form Filing Attachment
This filing transmittal is part of company tracking number	DC MidWestAGSitus201407 DC Midwest 16107
This filing corresponds to rate filing company tracking number	

	Document Name Description	Form Number		Replaced Form Number Previous State Filing Number
01			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
02			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
03			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
04			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
05			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
06			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
07			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
08			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
09			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	
10			<input type="checkbox"/> Initial <input type="checkbox"/> Revised <input type="checkbox"/> Other _____	

LH FFA-1

Effective March 1, 2007

18.		Rate Filing Attachment	
This filing transmittal is part of company tracking number		DC MidWestAGSitus201407 DC Midwest 16107	
This filing corresponds to form filing company tracking number			
Overall percentage rate indication (when applicable)		%	
Overall percentage rate impact for this filing		- %	
	Document Name Description	Affected Form Numbers	Previous State Filing Number
01		DC MidWest AG Situs	<input type="checkbox"/> New <input checked="" type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
02			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
03			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
04			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
05			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
06			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
07			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
08			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
09			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____
10			<input type="checkbox"/> New <input type="checkbox"/> Revised Request + ____ % - ____ % <input type="checkbox"/> Other ____

LH RFA-1

Development of Rate Adjustment Based on Trend, Experience and MLR

Virginia - Mid-West

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	712,903	1,674,053
data through August	(2)	Incurred Claims	595,424	1,872,730
	(3)	Loss Ratio = (2) / (1)	83.52%	111.87%
2014 Projection	(4)	Earned Premiums	528,593	1,241,186
absent Rate Adjustment	(5)	Incurred Claims	473,059	1,666,277
	(6)	Loss Ratio = (5) / (4)	89.49%	134.25%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	0.00%	4.74%
	(9)	State Premium Taxes	2.28%	2.27%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.55%	2.55%
	(13)	Risk Adjustment Fee	0.04%	0.04%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.94%	12.93%
	(17)	Target Loss Ratio = (7) - (8) - (16)	67.06%	62.34%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	33.45%	115.36%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	74.58%	92.59%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience

Development of Rate Adjustment Based on Trend, Experience and MLR

Wisconsin - Mid-West

		Calculation	ALL PRODUCT TYPES EXCEPT FOR ACE RIDER	ACCUMULATED COVERED EXPENSE (ACE) RIDER - NATIONWIDE
2013 Projection	(1)	Earned Premiums	1,804,257	1,674,053
data through August	(2)	Incurred Claims	1,252,463	1,872,730
	(3)	Loss Ratio = (2) / (1)	69.42%	111.87%
2014 Projection	(4)	Earned Premiums	1,337,794	1,241,186
absent Rate Adjustment	(5)	Incurred Claims	982,470	1,666,277
	(6)	Loss Ratio = (5) / (4)	73.44%	134.25%
Target Loss Ratio	(7)	Loss Ratio Rebate Standard	80.00%	80.00%
	(8)	Credibility Adjustment	10.04%	4.74%
	(9)	State Premium Taxes	1.76%	2.27%
	(10)	Federal Income Tax	4.68%	4.68%
	(11)	Health Insurer Tax	2.40%	2.40%
	(12)	Transitional Reinsurance Program Fee	2.55%	2.55%
	(13)	Risk Adjustment Fee	0.04%	0.04%
	(14)	PCORI Admin Fee	0.08%	0.08%
	(15)	Other Fees and Assessments	0.91%	0.91%
	(16)	Total Fees & Assessments = (9) + (10) + ... + (15)	12.42%	12.93%
	(17)	Target Loss Ratio = (7) - (8) - (16)	57.54%	62.34%
Rate Adjustment	(18)	Calculated Rate Adjustment = (6) / (17) - 1	27.63%	115.36%
	(19)	Proposed Rate Increase	20.00%	45.00%
	(20)	Projected Loss Ratio	61.20%	92.59%

* Accumulated Covered Expense Rider (ACE) rate increase development is based on nationwide experience